

SPEECH

OF

MR. C. HUDSON, OF MASSACHUSETTS,

ON

THE TARIFF.

Delivered in the House of Representatives of the U. S., June 29, 1846.

The House being in Committee of the Whole on the bill reducing duties on imports—

MR. HUDSON of Massachusetts, having obtained the floor, said :

MR. CHAIRMAN : I never, I confess, felt more embarrassment in addressing the House, than I do at this time on this subject. But my embarrassment arises not so much from the novelty of the subject, as from the novelty of the bill, and the arguments by which it is attempted to be sustained. In former days when this subject came under discussion, certain principles appeared to be settled. It was admitted as a general truth, that increasing the duties would increase the revenue, and reducing the duties would reduce the revenue. But now this great principle is not only called in question, but the opposite is put forth as a settled truth by the advocates of this bill.

In his message in 1806, Mr. Jefferson spoke fully upon the subject, and his argument was founded upon the fact, well known and acknowledged, that the revenue would fall off if the duties were reduced. Mr. Madison's administration, during the late war with Great Britain, doubled the duties for the purpose of increasing the revenue. General Jackson, through his whole administration looked forward to the time when the national debt would be paid off, and the rate of duties might be reduced. The compromise act was advocated on the same ground ; and in 1837, when Mr. Cambreleng introduced his famous bill from the Committee of Ways and Means to reduce the revenue to the wants of the government, he proposed to do it by making material reductions in the rates of duties on imports. But it is unnecessary to particularize ; every President and every Secretary of the Treasury, from General Washington and Alexander Hamilton downward, has advocated the same general truth ; and that has been acquiesced in by every enlightened statesman, till within a short period.

But now that doctrine is repudiated by the Administration. The President of the United States, his Secretary of the Treasury, and the Committee of Ways and Means, have made the financial discovery that a reduction of the tariff will greatly enhance the amount of revenue from imports. It is true, that they have the operation of the famous compromise act staring them in the face, and contradicting their position. They know that in 1842, when the duty came down to 20 per cent., the revenue was reduced to \$12,700,000 ; and that by the commencement of cash duties within that year, the year 1842 was practically a year of five quarters ;

having all the revenue of that year, and the payment of bonds given for goods imported the last quarter of the preceding year; and, also, that this revenue would have fallen off still more, had not Congress early in 1841 imposed additional duties upon silks, wines, and several other articles. All this must be known to the Administration; nor can they have forgotten the embarrassed state of the Treasury, and the almost perfect prostration of every branch of industry at that time. They must also know, that the tariff act of 1842, relieved the Treasury, and gave general prosperity to the country. All this must be within their knowledge; and yet, blind to the past, and deaf to the voice of experience, they come forward, and ask us to abandon the policy under which we have enjoyed such unexampled prosperity, and to follow out a mere abstraction—the dream of some visionary speculators. And can they give us any assurance that their system will work well? Can the Committee of Ways and Means tell us what amount of revenue their bill will yield? They have furnished us with no such estimate. And I presume, if interrogated, the honorable chairman will tell us now, as he did two years ago, that he knew nothing about it, and could form no conjecture satisfactory to himself. In his report of 1844, which accompanied his tariff bill, we find this frank confession: “It may be expected of the committee that they will make an estimate of the revenue to be realized under the rates of duty they propose to establish; but they feel themselves *wholly incompetent to do so, to any useful purpose.*” He then goes on to say, that all the calculations which have been made by the different Secretaries of the Treasury are mere vague conjecture, not to be relied upon. This was the position of that committee at that time, and I will venture to say that the chairman will not impart any more information at this day.

Can he give us any assurance that his bill will yield even \$20,000,000 of revenue? He cannot. I am aware of the difficulty of making any thing like an accurate estimate on this subject; but from the best information I can obtain, I do not believe that the committee's bill without tea and coffee will yield more than \$20,000,000 at farthest, and with tea and coffee not more than about \$21,000,000 of net revenue. We are then called upon, for the purpose of increasing the revenue, to try an experiment, on the success of which the committee themselves dare not even hazard a conjecture. We know the operation of the present law. We have seen that it will yield from \$26,000,000 to \$28,000,000 of net revenue; and still we are asked to give up this certainty for an uncertainty, or rather a certainty of success for a certainty of defeat.

But we are told that we must adopt the *revenue standard*, and bring all duties down to the *revenue rate*. Sir, before examining this boasted revenue standard, I cannot forbear remarking upon the peculiarity of this language, or rather the great stress which is laid upon it. We hear of *revenue, revenue, REVENUE*—as if the great end for which the Government was instituted was to fill its own coffers. From language which gentlemen employ, we should think that the Government had an interest distinct from the people, and that the alpha and omega, the beginning and the end, the object and the aim of all legislation was to collect money for the Government to expend. Our fathers maintained that Government was instituted for the good of the people; but this old fashioned maxim seems to be inverted, and the policy now is, if I mistake not the signs of

the times, to look at the wants of the Government alone. But, sir, I repudiate this new doctrine. It is monarchical in its character; it is the essence of despotism. The interest of the people should be the great object in view, and the interest of the Government, when it comes in competition with the interest of the people, should not stand for a moment.

But what is the boasted "revenue standard" of which we hear so much? We are told that it is that rate of duty which will give the greatest amount of revenue, and that any rate above that is unconstitutional, as it must be for protection, and not for revenue. That there may be, in the abstract, such a rate, I shall not attempt at this time to controvert. But, sir, in practice such a principle does not exist. There are a thousand considerations which affect the course of trade, and so reduce or swell the importation of a given article. Under these circumstances, it is impossible ever to have a constitutional tariff. If we had the necessary information, and should adopt the exact standard to-day, the fluctuations of trade might render it unconstitutional to-morrow. If the Constitution is violated by imposing a duty which is above this revenue standard, it would be violated by permitting a duty to remain above that standard. According to this modern refinement, it would be necessary for Congress to hold a perpetual session, so as to be ready at all times to increase or diminish the duties, according to the ever variable course of trade. And even then, we should be one quarter at least, behind the requirements of the Constitution; for we should not be in possession of the necessary facts, until the quarterly returns were made from the custom-house. On this refined theory, we should be in constant pursuit of this *ignis fatuus*, called the revenue standard, without ever overtaking it. But there is another fundamental objection to this theory—it discriminates in favor of luxuries, and against the necessities of life. An article which is necessary, will bear the highest rate of duties, because it is a necessary. If it be an article which is absolutely indispensable, it will bear almost any rate of duty which can be imposed upon it. But luxuries may be dispensed with, and if their price is enhanced by a high duty, the importation will fall off, and the revenue will suffer. Take salt for example. It is absolutely necessary—it is indispensable, and will be used at all events, whether the price be high or low. You may impose two per cent., or two hundred, and it will be purchased in nearly the same quantity. The same is substantially true of iron. It enters into general consumption, and cannot be dispensed with. But take the luxuries, the tropical fruits for example; a duty of two hundred per cent. would make a material difference in their consumption. These examples will show that this famous revenue principle would operate unjustly, and throw the weight of taxation upon those least able to bear it—the poor and the laboring classes.

This revenue principle, as it is called, does not overlook the interest of the great industrial pursuits of the people, but it discriminates against them. Let us look for a moment at the operation of this boasted principle. We will take the articles of salt and iron as an illustration. We will suppose that neither are now manufactured in the country. The revenue principle would require us, at this time more especially, to impose the highest rate of duty—say 200 per cent. This high duty would induce our friends in Pennsylvania and New York to go into the manufacture of iron and salt. The duty would be highly protective; and the Government, by this policy, would invite investments in these branches of industry. But as soon as

they got into successful operation, so as to supply a portion of the home market, and thereby check the importation of these articles, the revenue would fall off, which would be proof demonstrative that the rate was above the revenue standard. What then would be the duty of Congress on this new-fangled theory? Why, they must reduce the rate of duty, so as to increase the importation of these articles, and thus destroy the capital invested in their manufacture. This is the truly paternal character which gentlemen would have our Government assume! She must invite investments in manufactures, sustain them in their infancy, and smile upon their early youth; but the moment they arrived at manhood, so as to supply to any considerable extent the wants of the people, they must be crushed at a blow, that foreigners may enjoy the monopoly of our market.

But, sir, although I do not allow any definite revenue standard, such as is contended for, I believe that no enlightened statesman could sit down to devise a system of finance, without taking into view the condition, situation, and interest of those upon whom the burdens are to fall. True wisdom will not only consult the present, but the prospective ability of the people to meet the demands of the Government. That system of finance which should destroy the capital of the country, or throw impediments in the way of the industry of the people, and so dry up the sources of revenue for times to come, could not be regarded as a wise revenue system. If we had an intelligent financier at the head of the Treasury Department, he would, as a paramount object, seek to increase the wealth, and develop the pecuniary resources of the people, so that they may be able, from year to year, to make those contributions which the Government may require, and to do it with the least possible sacrifice. It is not enough that you impose a single tax, and collect a revenue sufficient for a solitary year; you must look to the prosperity of the people, and take care that you do not, in obtaining one assessment, impair the taxable property in future. It is with a nation as it is with an individual—to secure the greatest aggregate of interest for a course of years, you must, as far as possible, increase the principal. A wise revenue bill, therefore, must be discriminating in its character; it must foster every interest, and stimulate industry in every department of human enterprise; it must render the nation prosperous, that the people may have the ability to meet every draft of the Government.

With these general remarks, I now propose for a moment to examine the bill submitted for our action. It is based upon the report of the Secretary of the Treasury, and hence is founded upon no one fixed principle, but upon a variety of conflicting elements. It professes to aim at revenue alone, and yet has its list of *free articles*. Now, I should like to be informed by the chairman of the Committee of Ways and Means, on what principle he admits any article free of duty, when he maintains that we must discriminate for revenue *alone*! Every free article creates a necessity for imposing a higher rate of duties upon other articles, and is totally inconsistent with his famous revenue principle. He proposes to impose duties in such a manner as to take the burdens as much as possible from the poor and lay them upon the rich; and yet he proposes to impose a tax upon tea and coffee, which would be emphatically a tax upon persons, and not upon property. The chairman desires to discriminate in favor of necessities and against luxuries, in favor of the poor and against the rich. And yet, in carrying out his principles, he imposes a duty of 75 per cent. upon all dis-

tilled spirits, which are used by the poor laborers, and suffers wines, which are drank by the *fashionables*, to come in on a duty of 30 per cent. I should like to know the principle on which this discrimination is founded. He reduces the duty on pimiento from 121 per cent. to 30, and on cut glass chandeliers from 90 to 30—for the special benefit of the poor, I presume. But the greatest act of kindness, the most striking interposition in favor of the necessities of life, is a reduction of 75 per cent. on the importation of that indispensable article of life, *playing cards*! But the honorable Secretary tells us that we must discriminate in favor of the agriculturists; and yet the committee propose to reduce the duty on cheese from 69 per cent. to 30, on butter from 58 to 20, on beef and pork from 51 to 20, and on potatoes from 36 to 20. How will the farmers of the West like such protection on their beef and pork, or the people of New York on their butter and cheese? How much will the good people of Maine be profited by this reduction of duties on potatoes, an article which is now imported to the amount of \$58,000 worth, and, on the Secretary's estimate, will be increased to \$258,000 worth?

The amendment, or rather substitute, proposed by the gentleman from New York, (Mr. HUNGERFORD,) is subject to nearly all the objections which can be urged against the bill of the committee. It is true that he provides a specific duty for the *salt* of New York, and the *iron* of Pennsylvania; but most of the other interests are left to their fate. I ask no special protection for any interest in my own State. New England wishes to stand or fall with the rest of the country, so far as protection is concerned. I have as much sympathy for the salt of New York, and the iron of Pennsylvania, as I have for the cottons and woollens of Massachusetts. But if the gentleman from New York intends to sustain certain interests at the expense of the rest—if there is to be any thing like bargain and corruption to save the iron and the democracy of those two States—I shall feel justified in employing their own weapons, and turning them against themselves. I will unite with the South, and reduce the duty on iron down to the lowest point. Let gentlemen beware of bargain and intrigue.

But, Mr. Chairman, as this bill professes to be founded upon the revenue principle, and is urged upon our consideration on the ground that it will increase the revenue, I propose to examine it with reference to its revenue features. I have made a calculation on a list of articles which, under the present law, paid \$17,000,000 of the \$30,000,000 of gross revenue for the past year; and I find that, according to the bill under consideration, these same articles would pay about \$9,500,000, showing a falling off of about \$7,500,000. Now, sir, I would gladly inquire how this loss of seven and a half millions is to be made up? I shall be told that it will be done by increased importations. There may be some increase on these importations, but I will venture to say that the increase will not be sufficient to make up this large sum of seven and a half millions. The rate which the committee imposes upon these articles will average about 25 per cent.; and in order to bring the revenue up to the present standard, on these articles alone, there must be an increased importation of some \$30,000,000—an increase far greater than we have any reason to believe will take place. But this is not all. These duties are now mostly specific, and hence there can be no fraud upon the revenue. But the committee propose to convert them all into ad valorem duties, and hence the frauds which would be committed

upon the revenue will bring the aggregate down below that sum, even if \$30,000,000 were added to the imports of these articles. But there is another important drawback upon the revenue contemplated in this bill. It is proposed to raise the duty on one part of the importations, as well as to reduce it on the other; and it is perfectly evident that, if reducing the rate on one-half of the articles increases the importation of those articles, increasing the rate on the other will reduce the importations on them. So that what is gained by imports on one part of the list is lost on the other.

But, sir, there is another difficulty greater than this. We are not able to increase our imports to the extent that is contemplated. Our imports for the last four years will average a little over \$100,000,000. To illustrate the principle we will call our imports \$100,000,000, and the present rate of duty 30 per cent.; this will give a gross revenue of \$30,000,000. We will suppose that the bill reduces the rate to 20 per cent. Now, to obtain the same amount of revenue, we must import \$150,000,000 of goods. To give the same revenue as we have at present, the imports must increase at a greater per cent. than the rate is reduced, because the ad valorem are less productive than the specifics. But the important question is, how are we to pay for this increased importation—this additional \$50,000,000 of goods? It is perfectly obvious, that our imports and exports must substantially balance each other. We import now as much as we can pay for. If we should attempt to import \$50,000,000 more than we do at present, the balance of trade would soon be against us, and we should be compelled at once to desist. For the first six months we might have large importations, but when the pay day approached, we should find it impossible to send forward enough of our products to meet our indebtedness; and the consequence would be that specie would be sent abroad. Every man acquainted with business knows the effect of this. When specie is demanded for export, the banks are compelled to curtail their discounts, and the whole monetary system of the country is at once deranged; business receives a check, and an inability to purchase ensues. This, of course, will check importations, and hence the revenue will decline. This stagnation of business will first be felt in the Atlantic cities, but it will soon reach the extreme West; and the scarcity of money, and the reduced price of their great staples, will soon remind them that over-trading is as great an evil as General Jackson represented it to be; and they will be inclined to say with him and his friends, at that period—"perish credit, perish commerce—those who trade on borrowed capital ought to fail."

Mr. Chairman, I have spoken thus far of the effect of the proposed reduction of the tariff; but that measure ought not to be viewed alone. We have already passed through this body the Subtreasury bill, which requires that the money of the Government shall be collected in gold and silver, and when collected must be locked up in the vaults of the Government. The necessary effect of this will be, to diminish the amount of circulating medium, and to curtail bank accommodations. For the last year there has been from six to ten millions constantly in the Treasury, and the Secretary of the Treasury in his late communication has told us, that this balance in the Treasury should not be permitted to fall below four millions. Suppose we call the average six millions. Here we have, say, six millions of specie abstracted from circulation at all times, and locked up in our iron safes. Merchants and others, who are, or expect to be, debtors to the Govern-

ment, knowing that nothing will be received in payment but specie, must at all times be hoarding up coin against the day of payment. The sum thus held in suspense cannot be less than two millions. In this way eight millions of the specie of the country, being about 10 per cent. of the whole, will be kept out of circulation, and as useless for all purposes of business, as though it were thrown into the sea. By the last bank returns it appears that, at the present time, when our banks are supposed to be in a healthy condition, there are in circulation about 3 dollars of paper to every dollar of specie. Every dollar of specie, therefore, which is sent abroad or locked up in the vaults of the Government, must reduce the circulating medium some three dollars. The eight millions hoarded, either directly or indirectly, by the Government, would diminish the circulation some twenty or thirty millions. The effect of this upon business must be perfectly obvious. Besides, these large imports would, by breaking down our own mechanics and manufacturers, who are now the greatest consumers of imported articles, greatly diminish their ability to purchase; and hence there would be a greater falling off of imports. How does the honorable Secretary propose to dispose of his estimated increase of imports? With very few exceptions, he makes room for them by displacing the same amount of domestic fabrics. As far as I have been able to obtain a glance at his estimates—for, though he has caused them to be printed, he has put them only into the hands of a few of his free trade friends; and the Committee of Ways and Means have also cautiously withheld all information from the House—I say, as far as I have been able to obtain a glance at his estimates, he obtains his greatest increase upon articles which are manufactured in this country; and he makes room for the foreign manufacturer by destroying the domestic. One of the principal grievances complained of by the Secretary in his annual report is, that, by the success of our manufacturers many foreign articles have been displaced; and he now proposes to break down our mechanics and artisans, our manufacturers and laborers, that we may be dependant upon the old world. This must of necessity produce a stagnation in business, and distress among our people. And in this state of pecuniary embarrassment, with means crippled and resources exhausted, he expects that we shall purchase an increased amount of foreign fabrics. This studied hostility to a great and growing interest of the country, is exceeded by nothing but the consummate folly of expecting to increase the revenue by such means. Under all these circumstances, it would be impossible to import to the extent required to give the estimated revenue.

The great industrial interests of the country are so blended, so dependant upon each other, that the prosperity of all is required to give full success to either. When the country is generally prosperous in other pursuits, there will for the most part be large importations from abroad, and hence an abundant revenue; but whenever there is a stagnation in business at home, our imports are checked. It is not the rate of duty so much as the ability to purchase, which governs this matter. This position is strikingly illustrated by the fact that, in 1842, when the duties were much less than they had been for more than twenty years, our imports were less than they had been for twelve years. There was, at that time, a great temptation to import. The duties were low, and every merchant believed that a revision of the tariff, which must at that time take place, would increase the duties in a greater or less degree. And yet the imports for that year fell off, from the obvious reason, that the stagnation of all business destroyed the ability to purchase.

Thus, sir, from every view of the subject, we are constrained to believe, that the Administration will be wofully disappointed, if they expect such an increase of imports as will give them the needed revenue. The country is not able to meet such a drain, as these excessive imports will make upon their resources. Importations will not materially increase, and hence the revenue must of necessity fall off. The proposed bill, instead of giving more revenue, will, I am persuaded, give several millions less than the present law; and will bring on that general commercial and governmental embarrassment, which would be felt throughout the length and breadth of the land.

And, Mr. Chairman, it must be remembered that, while we are thus tampering with the revenue, our expenses are, at least, to be doubled. The estimates sent in in the early part of the session amounted to \$25,518,873; but a recent estimate from the Treasury Department has added to this sum. \$23,952,904 more, making the gross sum of \$49,471,777; and those who are best acquainted with the subject, are satisfied that these estimates are too low. From the facts which are developing themselves from day to day, the marching and counter-marching of volunteers—the calling out and dismissing of the militia—I have no doubt but that the expenditures, should the war continue to the end of the year, will exceed the estimates by some millions. And how is this expenditure to be provided for? I have examined with a good degree of attention a report of the Secretary, transmitted by the President to the Senate, June 16, 1846; and I must be permitted to say, that it is one of the most extraordinary documents that ever emanated from the Executive Department. The Secretary estimates the deficiency at the close of the coming year, as we have already seen, at \$23,952,904. And how does he provide for this? Why, he tells us, that according to his former estimate there will be in the Treasury, at the close of the year, \$4,332,441, and this will reduce the balance to \$19,620,463. He next informs us that, in his annual report, when he was laboring to show that the present tariff was too high for revenue, he under-estimated the revenue from the present law \$4,000,000, which sum will reduce the deficit to \$15,620,463. But in the very next breath he informs us, that at least \$4,000,000 should always remain in the Treasury; and hence that the deficit should be carried up again to \$19,620,463. The Secretary next makes the extraordinary statement, that the bill reported by the Committee of Ways and Means will produce \$26,000,000 of nett revenue, and that the changes which he propose to that bill will yield \$4,034,057 more, making a nett revenue of \$30,034,057, a sum \$5,534,057 more than the existing law would yield—and so would reduce the deficiency to \$14,086,406. He relies upon the warehousing system for another million, and expects half a million of increase from the reduction and graduation of the price of the public lands. These resources will bring down the deficit \$12,586,406.

This is the strange financial scheme of the honorable Secretary! The proposed tariff bill does not go into operation till the 1st of December, 1846, and how the warehousing system, then to take effect, can increase the revenue, is more than I can comprehend. He proposes in his report that the goods warehoused should remain without paying duties, till they are taken out for use. But his principal argument for the warehousing system is, that under that system large amounts of foreign goods would be brought to

this country, and then re-exported when they were wanted for this foreign trade, in which case no duties would be paid, but only the expense of storage. And yet the Secretary proposes to increase the revenue one million of dollars in the first seven months of its operation. It is true, that he admits that "the introduction of the warehousing system might diminish the revenue during a portion of the first year succeeding its adoption, but that it would add \$1,000,000 per annum to the permanent annual revenue from customs is not doubted." This is the statement of the Secretary in his own language. He admits that for the first year, or part of the first year, it would diminish the revenue; and because he thinks it will ultimately increase it, he feels justified in taking \$1,000,000 into his first year's account. Nor am I able to perceive how graduating and reducing the price of the public lands will increase the revenue. The lands are now offered at \$1 25 per acre. It is proposed to reduce them to \$1, then to 75 cents, then to 50 cents, then to 25 cents; and if they are not taken at that, to give them to the States or to settlers. Now, is it at all probable that there will be any great rush for lands at \$1 per acre, when the purchaser knows that waiting a short time he can obtain the same lands at 75 cents, or 50 cents, or even 25 cents per acre? In fact, the idea of increasing the revenue from the warehousing system, or the graduation system, is too ridiculous for belief; and I doubt whether any other Secretary could be found who would risk his reputation on such a conjecture. Nay, I do not believe that any member of this House can be found, who will endorse such wild extravagance. But the crowning glory of his scheme, and that which sets his financial skill in the clearest light, is his schedule A, appended to his letter. This is truly a fiscal curiosity. The honorable Secretary in his annual report has assured us, that "experience proves that, as a general rule, a duty of 20 per cent. ad valorem will yield the largest amount of revenue." But this statement is not only contradicted by the experience of our own country, but the schedule which he submits gives the lie to his declaration.

The first article in his list is *distilled spirits*. He sets down the present import at \$1,065,375, under a duty of 180 per cent. The committee propose a duty of 75 per cent.; but the Secretary thinks this too low for revenue, and hence carries it up to 125 per cent., and so gains, by some means or other, \$702,687 of revenue more than the committee, though in fact, according to his own figures, he loses \$210,856 from the present revenue. He supposes that the committee by reducing the duty from 180 per cent. to 75 per cent. will increase the importation \$340,000; and that he, by reducing the rate from 180 to 125 per cent., will increase the importation \$300,000. Now, I desire to know by what rule this increased importation is calculated. The committee reduce the rate 59 per cent., and thereby increase the importation 31 per cent.; but the Secretary reduces the rate only 31 per cent., and increases the importation 28 per cent. I say I should like to be informed by what rule in mathematics this result is obtained. By the old fashioned rule of proportion, the case would stand thus: As 59 is to 31, so is 31 to 16. But according to the honorable Secretary's arithmetic, it would stand thus: As 59 is to 31, so is 31 to 28—being an error of $42\frac{1}{2}$ per cent. This example shows that there is no principle adopted by the Secretary, but that he sets down numbers just to suit his own fancy. But the next article shows this still more clearly. He sets down the importation of *cordials* for the last year at \$29,788, paying a duty of 41 per cent. The committee raise the

duty to 75 per cent., and by so doing, according to the Secretary's estimate, increase the importation from \$29,788 to \$54,788. Here we have a striking example of mathematical and financial calculation. The great argument for the reduction of duties is, that it will increase importations ; but here we have the importations nearly doubled by carrying the duty up from 41 to 75 per cent. This is sufficiently ridiculous. But it is said to be a poor rule which will not work both ways. The rule of the Secretary has this recommendation. The committee, as we have already said, by raising the duty from 41 to 75 per cent. increase the imports from \$29,000 to \$54,000; but the honorable Secretary, by reducing the rate from 41 per cent. to 40, increases the imports from \$29,000 to \$129,000; and by this operation adds \$10,824 to the revenue ! According to his table, there were imported last year, sweetmeats, &c., to the amount of \$44,000 ; these paid a duty of 25 per cent. The Secretary carries the duty up to 40 per cent. without checking the importation in the least, and so gains \$4,371 in revenue. Various kinds of fish preserved in oil were imported last year to the amount of \$83,000. The present duty is 20 per cent., but the Secretary doubles it, and makes it 40, without reducing the import one particle, and gains \$8,248 in revenue. But on the article of potatoes, which were imported to the amount of \$58,000, he proposes to reduce the duty from 36 per cent. to 30 per cent., and thereby swells the import from \$58,000 to \$208,000; and gains more than \$10,000 to the Treasury. On raw hides and skins, and quicksilver, the duty is now five per cent., the Secretary doubles it, and obtains \$195,000 of revenue, without checking the importation at all. On tea and coffee, which are now free, he imposes a duty of 20 per cent., but does not diminish the quantity in the least. The same is true of almost every other free article which he proposes to tax. But the moment he reduces the duty upon one article, he increases the importation immensely. Cut glass was imported last year to the amount of \$5,159, at a duty of 66 per cent. Mr. Walker reduces the duty to 40 per cent., and the import immediately goes up to \$155,159, and he secures nearly \$16,000 in revenue by the operation. On glass tumblers, by reducing the duties he carries an import of \$790 up to \$100,790 ; but on meats, poultry, &c., he raises the duty from 25 per cent. to 40, and upon manufactured tobacco from 28 to 40, without diminishing the imports to the amount of a single mill. The Secretary sets down some thirty articles where the duty was reduced by the committee, and where he restores the rate to what it is in the existing law ; and still is so wonderfully skilful, that he increases in every instance the amount of revenue. What I have given is a fair specimen of this extraordinary document. I wish to speak respectfully of whatever emanates from the Executive Department, but I do not believe that there is a chairman of a committee in this House, who would risk his reputation in putting forth such a paper. I venture to predict that there is not a gentleman upon this floor who will undertake to defend this extraordinary document. No man who is acquainted with the subject, will place the least reliance upon the calculations it contains. It is founded upon no principle, is sustained by no experience, and in fact deserves no consideration.

But still this report of the Secretary is valuable in one respect. It shows the extremes to which he is driven, and the utter folly of discarding all experience, and substituting mere abstractions. No man, as it seems to me, can read his various reports without being sensible that they show one thing

at least—the danger of departing from principles which have been approved by every preceding President, and sanctioned by every Congress since the establishment of the Government.

But the Secretary labors in his annual report to show, that the present tariff is injurious to the commercial interest. “The tariff,” he says, “discriminates in favor of the manufacturer, and against the merchant, by injurious restrictions upon trade and commerce; and against the ship-building and navigating interest, by heavy duties on almost every article used in building and navigating vessels. It discriminates in favor of the manufacturer, and against exports, which are as truly the products of American industry as manufactures.”

As all the great industrial pursuits of the country are important to its prosperity, no one interest should be fostered at the expense of another. Consequently if the Secretary’s statement is sustained by facts, it affords a strong argument against our present protective system.

But is it true that commerce is injured by the present policy of the country? This is not the opinion of our commercial men. Massachusetts, taking her capital, shipping, and the fisheries into the account, may be considered as among the first commercial States in the Union. And yet her merchants, not wanting in intelligence, are perfectly satisfied with the operation of our tariff. The same, I believe, is true of the merchants generally in our country. It is true that, in the city of New York, where the importing is to a large extent in the hands of foreigners, there is something of a free trade influence, but the American merchants do not sympathize in it. It is matter of a little surprise that most of this sympathy for commerce and the navigating interest, comes from that part of the country which has the least commerce. New England alone owns nearly twice as much tonnage as all the States south of Mason and Dixon’s line; and the single State of Massachusetts owns about eight times as much as South Carolina, Georgia, Florida, Alabama, and Mississippi united. Now, sir, is it not singular that the Yankees, noted for their shrewdness, should mistake their true interest, and that Mississippi, which has scarce a ship afloat, should be the great advocate for the shipping interest, and understand better what is the true policy on this subject than any other State? If the tariff act of 1842 is so destructive to the shipping interest, would not the owners of that shipping be likely to discover it? But what are the facts in this case? Has the tonnage of the country fallen off under the influence of this law? The very reverse of this is the fact. In 1840, the total tonnage of the country amounted to 2,180,764 tons; in 1841, to 2,130,744; and in 1842, to 2,092,300, showing a falling off, in three years before the passage of the present law, of 88,464 tons. In 1843, the tonnage rose to 2,158,601 tons; in 1844, to 2,280,095 tons; and in 1845, to 2,417,002 tons, being a gain, in three years after the passage of the tariff, of 258,401 tons. The tonnage in 1845 was 424,702 tons greater than it was in 1842, when every interest was prostrated by the ruinous effects of the compromise act. Another view of this subject leads to the same conclusion. The tonnage of the ships built in the United States in 1845 was greater by 28,000 tons than the average of the three preceding years.

Now, sir, do not these facts, taken from the official records of the Government, prove most conclusively that the tariff of 1842 has promoted the interest of navigation? During the three years preceding the year 1842, the

balance of trade was \$22,212,963 against us; but, during the three years following the tariff, the balance of trade was \$24,905,640 in our favor. And the excess of specie brought into the country, over that which was sent abroad, was \$5,064,255 more during the latter period than the former. A view of the tonnage which entered and cleared in the ports of the United States, before and after the passage of the tariff of 1842, clearly shows the beneficial effects of that law upon the trade of the country. In 1841, the tonnage which entered and cleared was 4,639,458 tons, and in 1842, when the duties were down to the lowest ebb, 4,519,841; but in 1844, it was 5,812,168 tons, and in 1845, 5,930,303. Here we have a falling off, from 1841 to 1842, of 219,617 tons; but from 1844 to 1845, there was an increase of 118,135 tons; and the tonnage which entered and cleared in 1845 was 1,410,462 tons more than in 1842.

Now, sir, in view of these facts, what becomes of the Secretary's representations that commerce is languishing under the effects of the tariff of 1842? If facts prove any thing—if there is any reliance upon official documents—we have the clearest evidence that commerce and navigation, which were fading away under the blighting curse of the compromise act, have been revived and promoted by our present revenue law.

Since the existing law has been in operation there has been a better and more healthy state of trade than there was before. Under the declining scale of the act of 1833 foreigners had almost monopolized the trade in our large cities. In 1842, of the imports into the city of New York from this side of the Cape of Good Hope, 74 per cent. was on foreign account, and of the imports into Boston 19 per cent. was on foreign account; but in 1845 the same class of imports into New York was but 44 per cent. on foreign account, and into Boston but 9 per cent. on foreign account. These facts, which are obtained from official sources, show incontrovertibly that our present law has exerted a beneficial influence upon our trade in a great variety of respects; that it has increased the amount, turned the balance in our favor, and given the business, in a much greater degree than formerly, into the hands of our own citizens.

It is objected to the present law, that, by cherishing manufactures, we reduce the importations, and so impair the navigating interest. But, sir, I believe this objection to be more specious than sound. A considerable portion of the raw materials used in manufactures are of foreign growth; and as the raw materials are of greater bulk and weight than the manufactured articles, bringing them into the country gives more employment to our shipping than would be given by the manufactured articles themselves. This is illustrated by the article of shoes. We now manufacture most of our boots and shoes; this gives rise to a large import of hides, which amounted last year to nearly four millions of dollars, and these were imported almost exclusively in American vessels; besides, some \$330,000 worth of boots and shoes were exported, thus giving double employment to our shipping. But if the duty on boots and shoes were taken off, and we were to obtain them from abroad, a large share of them would come in in foreign vessels. The same is true of sugar. We now import a large quantity of brown sugar, which is refined here, and then sent abroad, which gives our shipping two freights instead of one. Besides, we sent abroad last year some \$12,000,000 of manufactured articles, being more than one-tenth of our domestic exports, nearly all of which would be cut off if our present protective policy

were abandoned. Our shipping, like every other interest, is dependant upon the general condition of the country. When there is general prosperity, our ships are employed; but when pecuniary embarrassment is abroad in the land, they are left rotting at our wharves.

Some gentlemen speak of our shipping as though it were employed exclusively in our foreign trade. But this is a great mistake. Our coasting trade and internal commerce is not only much greater, but more important to the country than our foreign trade. I regret that it is not in my power to give a full and correct view of this important branch of our trade. Our Government have been strangely remiss on this subject. They have too long neglected to take measures to obtain correct statistics of our coasting trade and inland commerce.

The estimate I shall present must be very imperfect, and relate to only a few points. It will be seen, by the Commercial document, that the tonnage employed in the coasting trade amounts to about half of the tonnage of the country. As most of these vessels perform short voyages, the amount of goods, &c., transported in them is much greater than what is transported in registered tonnage employed in foreign commerce. The number of vessels which entered the port of Boston alone, in the year 1845, from other ports *out of the State of Massachusetts*, excluding also fishing vessels and the wood, lumber, and hay coasters from Maine, was 5,481, with an aggregate tonnage of 900,620 tons, being equal to nine-tenths of all the registered tonnage of the country. Of this number of vessels 170 were from New Orleans, 39 from Mobile, and 35 from Florida—making 244 from the Gulf of Mexico. These 244 vessels, with a tonnage of 118,600 tons, brought into the city of Boston, from the places mentioned, cotton, flour, corn, hemp, hides, feathers, lead, beef, pork, ham, lard, sugar, molasses, staves, tallow, wool, and tobacco, to the amount of \$9,500,000; to say nothing of grass seed, castor oil, linseed oil, beeswax, furs, peltry, beans, peas, wheat, cornmeal, whiskey, buffalo robes, copper, iron, leather, butter, and a great variety of other articles, all of domestic growth. This includes only the freight from the gulf to Boston, and if we add the freight from Boston to the gulf, and all the foreign products which were transported both ways, which are not included in the above estimate, it would amount to more than one-fourth of our whole export to all foreign nations. The coasting tonnage which enters and clears from Boston alone is more than twice as much as all the American tonnage which enters and clears from all our ports to Great Britain and Ireland for the same period. The tonnage between Boston and the ports in Florida, Mobile, and New Orleans, is greater than the American tonnage between the United States and European nations, except Great Britain and France; and falls but 12 per cent. below our tonnage with the latter power. The imports of domestic articles from the ports of Florida, Mobile, and New Orleans, into Boston, in 1845, was equal in value to our entire import from all Europe, with the exception of Great Britain and France. These facts show the great importance of our coasting trade at Boston; and I regret that it is not in my power to give a view equally full of the coasting trade at other ports.

The internal trade which finds the Atlantic through the Hudson river is equal to nearly half of our foreign commerce. The freight brought to the Hudson in 1845 from the Erie and Champlain canals, was valued at \$45,452,000, and the amount which entered these canals from Albany and Troy,

the same year, amounted to \$55,454,000; showing a total of \$100,906,000, which is a trifle more than the entire exports to foreign nations, for the same year, of articles the growth or produce of the United States. The transportation on the New York canals in 1845 was 1,997,505 tons, being but 3 per cent. less than the whole amount of American tonnage which entered our ports the same year from all foreign nations. From this glance at the business upon the Erie and Champlain canals, the importance of the trade of the Hudson will be seen at once. We have no means of knowing the amount of commerce on the lakes, but, as the tonnage reported in the Commercial document is more than 100,000 tons, being about equal to that of Virginia, North Carolina, and South Carolina, we presume that the coasting trade must be very considerable.

The trade of the Mississippi and its tributaries is immense. But here we are destitute of any authentic information. The tonnage of steamboats, as shown by authentic documents, on the Mississippi and its tributaries, amounts to 160,000 tons, being more than three times as much as the tonnage of Virginia. From estimates on which reliance may be placed, the downward freight, which stopped at New Orleans in 1845, amounted to \$60,000,000; and if the upward freight be estimated at the same, which cannot be far from the truth, it would amount to \$120,000,000, being more by \$20,000,000 than our export of American products to all foreign nations for the same year. We have no means of knowing the entire amount of products borne upon the Mississippi and its numerous branches, but presume we may safely add 40 per cent. to the amount which arrive at, and depart from, New Orleans, which would make the vast sum of \$168,000,000. If to all this we add the products which find their way to the Atlantic through the public works in Pennsylvania, through the Delaware and Chesapeake bays, and the numerous other streams and railroads which communicate with the ocean, and add thereto the coasting trade of New York, Philadelphia, Baltimore, other ports "too numerous to mention," we shall find that our home commerce is some five or six times greater than our foreign, and that in this trade our vessels have the monopoly; whereas, in our foreign commerce, nearly one-third of the carrying is performed by foreigners in their own ships.

Now, sir, in view of all these facts, I hope to hear no more sneering at the mention of the coasting trade and internal commerce of the country, as though it were hardly worthy of being taken into the account. This home trade is rapidly increasing, and nothing contributes so much to its prosperity as the present prosperous state of the country, brought about, in no small degree, by the tariff of 1842. As far as we have any regular returns, an inspection of them will show the fact, that from 1838 the business of coasting and inland transportation declined till 1843, when an improvement commenced, which has gone on successfully to this day. This is true of our coasting trade, as shown by the increase of tonnage; and the tolls and transportation upon the Erie and Champlain canals, in New York, show the same fact. Who, then, from a full survey of this whole subject, will repeat the unfounded declaration of the Secretary of the Treasury, that the tariff is injurious to the commercial and navigating interests? Who will reiterate the stale charge, that the manufacturing interest is depressing every other interest in the country? No man, as it seems to me, whose mind is capable of taking a broad view of

the industrial pursuits of our whole people, and of comprehending the mutual dependance of one upon another, can fail to perceive the folly of arraying one calling or pursuit against the other, as though they were natural enemies. Manufactures are dependant upon agriculture and commerce; but the dependance is mutual, and whatever benefits either will confer a blessing upon each.

But if it were not so; if our present tariff system, by giving encouragement to manufactures, and by providing a home market for the products of the soil, did throw some impediments in the way of commerce, that interest would have no reason to complain. No interest in the country is more indebted to the fostering care of the Government than commerce, and no one has cost the American people one-tenth part as much. Our extensive lighthouse system, our harbor and river improvements, in which are expended, and wisely expended, large sums annually, are for the benefit of commerce. Our navy, too—that important arm of national defence—is devoted principally to the protection of our trade. Our tonnage duties are a direct protection of our own shipping. In the first Congress after the adoption of the Constitution an act was passed giving a priority to American bottoms; and that law, with some few alterations, remains in force to this day. Our shipbuilders enjoy a monopoly. In order to enjoy the privileges of American shipping, the vessel must be built and owned in the United States. Our own shipping pays a tonnage duty of 6 cents per ton, while ships not built and owned in the United States are subjected to 50 cents per ton. These regulations, with the payment on foreign shipping of 50 cents per ton of light money, excludes foreign ships from our coasting trade, and gives our shipping a perfect monopoly. But this is not all. Our present tariff law, which is thought to injure our navigation, contains an express provision that there shall be added to the rates of duties imposed therein, an addition of *ten per centum* if the goods are imported in foreign vessels, and *twenty per centum* if in foreign vessels bringing merchandise from every place east of the Cape of Good Hope. Here is a discrimination of from fourteen to twenty per cent. in favor of our own shipping.

From a full view of the whole subject, our commercial and navigating interests have no reason to complain. And, sir, they do not complain. They are fully satisfied with the present policy of the country in this respect. The complaints which are made, and the murmurs which we hear, come either from foreigners who have an interest adverse to our own, or from restless politicians who have but little knowledge on the subject, and who keep up this clamor for mere party purposes.

But, Mr. Chairman, I must bring my remarks to a close. I am opposed to the bill under consideration on numerous grounds. I am opposed to it, because it is based upon the principle that the highest object of legislation on this subject is to provide for the Government and not for the People. I am opposed to it, because it would check the progress of manufactures in the country, and, by breaking down the small establishments, and especially in the southern and western part of the country, would give a monopoly to the old and wealthy establishments. I am opposed to it, because it would impair commerce and navigation, by destroying the general prosperity of the people. I am opposed to it, because it would injure the hardy tillers of the soil by destroying their home market. I am opposed to the bill, because it would tend to increase importations, turn the balance of trade against us,

draw specie from the country, and so prostrate business by deranging the currency of the country. I am opposed to it, because, as a financial measure, it would fail of its object, and instead of increasing would diminish the revenue, and so embarrass the operations of the Government. Finally, I am opposed to it, because it is an attack upon the industry of the country, and would, by paralyzing business, put the poor at the mercy of the rich; and by increasing the wealth of the latter, would deprive the former of the due reward of his labor.

Our country was never more prosperous in her industrial pursuits than she is at present. The busy hum of industry is heard in every part of the land, and the "gains of gold" which the diversified employments yield, show that our labor has been well directed. Domestic peace covers the land, and prosperity the people. The present tariff is well suited to our condition, yielding ample revenue to the Government, and giving general prosperity throughout the land. This law it is proposed to repeal. The revenue of the Government is to be reduced, and the prosperity of the people stricken down. Foreign fabrics are to be substituted for our own, and our labor is to be brought into direct competition with the pauper labor of Europe. And why is this change sought? Is it demanded by the people, for whose benefit the Government was instituted, and to promote whose interest all laws should be enacted? The people have made no such demand. Not a petition has been addressed to us asking any such change. Why, then, this effort to repeal a law which, in a few short years, has restored the finances of the Government, and improved the condition of the community? I feel impelled to say, that the effort is a mere effort of party. The Baltimore Convention, that tumultuous assembly which nominated Mr. Polk for the Presidency, adopted a resolution that the tariff of 1842 must be repealed. The leaders of the party became committed to that doctrine, and, coming into power with those pledges, they now attempt to carry them out, regardless of the best interest of the community. And, even on this floor, they have the effrontery to appeal to those Baltimore resolutions, as though they had the force of law, and were more controlling than the wants of the people.

I am satisfied, sir, that if the members of this House could throw off their party ties, and approach this subject in the spirit of candor, we should have nothing to fear. But the lash of party will be applied, and the patronage of the Government may be held out to crush the prosperity of the people. I tremble for the result. But, Mr. Chairman, I have this consolation, that, if our present system be overthrown by the repeal of the act of 1842, and distress does ensue, as I believe it will, the people will trace their sufferings to their true cause. I have confidence to believe that, when an empty treasury destroys public credit, and pecuniary embarrassment impairs our prosperity, the people will rise in the majesty of their strength, and hurl from their places those who, to gain mere party ends, have dared to trifle with their interests; and will fill their places with those who will better guard their rights and promote their well being.